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MEETING NOTES Economic and Social Impact Study Committee Meeting

September 15, 2008

Attendees:

See attached sign-in sheet.

1. Welcome and introductions

Chair Linda Dorn welcomed everyone to the meeting and attendees introduced themselves.

2. Update on Economics and Social Cost Report

Dr. Richard Howitt from U.C. Davis distributed a new outline of the report and summarized the major changes from the previous draft. He noted that the final report should be available in approximately four weeks. Dr. Howitt described the following revisions:

- Reorganization of the Report; much of the technical information, such as models, are now included in appendices.
- The projections for driving variables were retained. These are (1) rate of buildup of saline areas and (2) rate of percolation from perched groundwater to the deep aquifer.
- The section on CAFOs has been redrafted.
- Non market survey section has been redrafted to clarify that it reflects willingness to pay.
- The REMI Model was re-run and the results are shown in Table 1.2 of the handout.

The summary and conclusions are that salt is a very important and very expensive problem in the Central Valley. Additional hydrogeologic study is needed to refine the analysis—different regions of the Valley have very different conditions and circumstances that could not be captured on the large scale used for the Report. There are issues of both surface and groundwater, and there is a need to consider the effect of drainage. Production declines by sector is another area for further study.

Ms. Dorn noted that more work is needed on both salt sources and salt mobilization. Dr. Karl Longley stated that the salt and nutrient management plans that are called for in the Stakeholder Draft of a State Water Board Recycled Water Policy may be a vehicle for developing some of the region-specific information needed.

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3. Salt Sources Collaborative Efforts

Daniel Cozad announced that a draft scope of work for the salt source survey has been prepared. The survey would identify sources using existing data and rely on participants to identify other sources that should be looked at.

Ms. Dorn suggested that it might make sense to focus on a few basins or sub-basins to pilot test the proposed survey approach. Possible candidates for pilots would be Westlands (West side of the San Joaquin); the area studied by David Sunding; Davis/Woodland/Vacaville; and the Tulare Lake Basin.

Mr. Cozad stated that if the survey could focus on an urban area as a model, the information could possibly be extrapolated to other urban areas. Ms. Dorn noted that it is critical that the salt source survey be completed because the study will form the foundation for a fair and equitable funding plan for CV-SALTS.

The Committee agreed that a working group should be formed to further develop the pilot approach. Mr. Cozad agreed to raise the issue with the TAC.

4. Future Role of the Committee/Goals

The Committee discussed its role upon completion of the U.C. Davis study. Dr. Howitt stated that there is a need for additional economic analysis on a basin/sub-basin level, and that it might make sense to develop a cap and trade approach. Dr. Longley stated that there is a need to know the economics of moving salt. This information could help to identify the relevant reach of a cap and trade program. Mr. Cozad suggested that the Committee could be a forum for economic and business interests to raise their issues during the CV-SALTS process.

After further discussion, the Committee agreed to continue working and to change its name slightly, to "Economic and Social Impact Committee."

5. Report to the Executive Committee

The following items will be presented to the Executive Committee at its September 16, 2008 meeting:

- Summary of U.C. Davis report
- Future Study recommendations identified by Dr. Howitt and the Committee
- Scope of a cooperative salinity source study, using a pilot approach
- Future role of the Committee/Name change
- The need to develop alternatives and devise a fair and equitable funding scheme.

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6. Next Meeting

The next meeting is scheduled for October 22, 2008

ATTACHMENTS

Outline of Report Table of Contents
Economic Summary and Conclusions